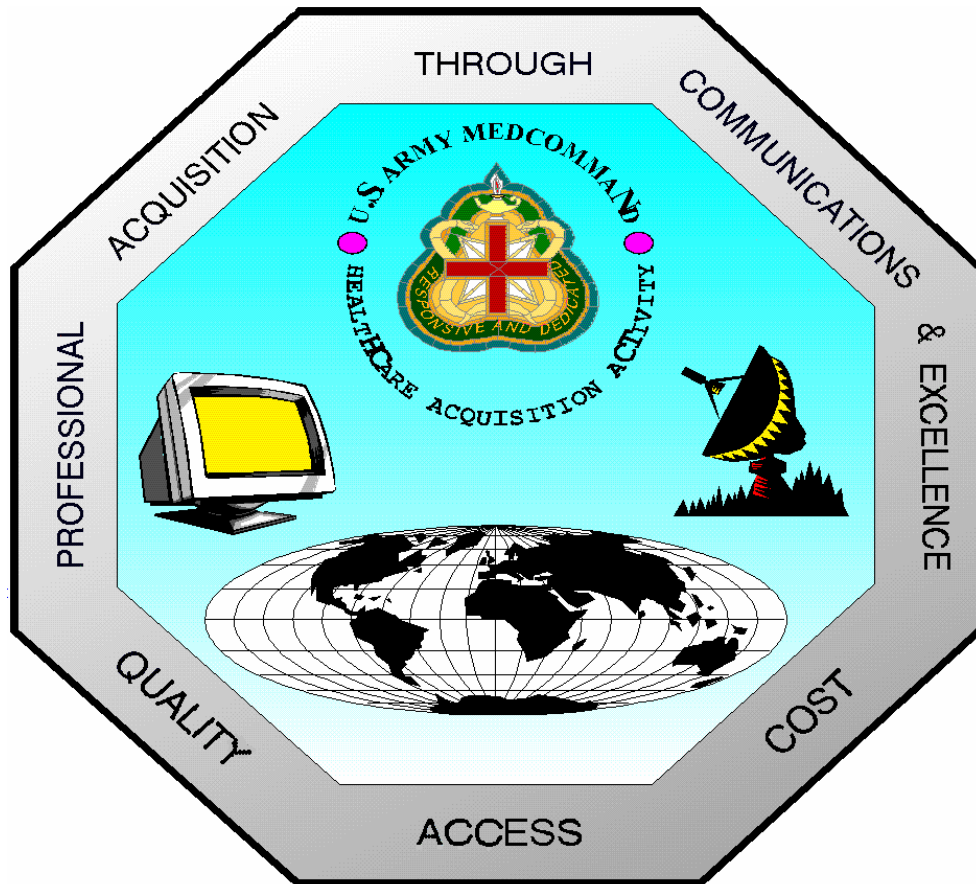


# CUSTOMER HANDBOOK



## EUROPE REGIONAL CONTRACTING OFFICE

MEDCOM HEALTH CARE ACQUISITION  
ACTIVITY

## **FORWORD**

1. **PURPOSE:** This handbook is designed to provide day-to-day guidance to the customer in the arena of purchasing and acquisition. It is not intended to replace the Federal Acquisition Regulation (FAR), Defense FAR Supplement (DFARS), Army FAR Supplement (AFARS).
2. **APPLICABILITY:** The procedures in this handbook apply to all elements or activities supported by the Europe Regional Contracting Office. (MCAA-E)
3. **SCOPE:** The handbook covers procedures when requesting contracting support from the ERMCCC.
4. **OBJECTIVE:** This handbook is designed to ensure that the customer gets what they want when they want it, the Government pays a fair and reasonable price, laws and regulations are complied with, and the Government's interests are protected.
5. **COMMENTS:** The contracting process is complex. This manual should help reduce some of the frustration often experienced when trying to obtain goods and services through local purchase. Suggestions for improvement, comments or questions about this document should be addressed to ERMCCC @ DSN 486-6020.

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## **CHAPTER 1**

### **PROCUREMENT IN GENERAL**

#### **GENERAL:**

a. In order to operate, the Government must buy supplies, services and construction from the private sector. Based on laws passed by Congress, the basic rules, policies and procedures for Government procurement are set out in the Federal Acquisition Regulation (FAR), which governs all Government-wide procurement, both defense and civilian. The FAR contains procurement policies and detailed procedural and administrative requirements.

b. The FAR is divided into 53 parts, each dealing with a separate aspect of procurement. The first six parts deal with general matters relating to Government contracting. The next six parts cover various aspects of acquisition planning. Subsequent parts contain other aspects of acquisition, such as labor standards, socioeconomic set-asides, contract cost principles, contract administration, and standard clauses, provisions and forms.

c. The FAR is supplemented by the DoD Supplement to the FAR (DFARS) and the DA Supplement to the FAR (AFARS).

d. The Army is empowered by the FAR as a contracting agency. The ERMCCC is empowered to procure supplies, equipment and services for MEDCOM facilities and TRICARE in Europe.

(1) Only contracting officers have authority to enter into, administer or terminate contracts, and make related determination and findings. Contracting officers may bind the Government only to the extent of the authority delegated to them. The appointment authority clearly and specifically writes the limits of their authority in the delegation. Information on the limits of a contracting officer's authority shall be readily available to the public and agency personnel. Contracting officer warrants are on display in their work area.

(2) No contract shall be entered into unless the contracting officer ensures all requirements of law, executive orders, regulations, and all other applicable procedures (including clearances and approvals) have been met.

## CHAPTER 2

### DEFINITIONS

**Army Single Face to Industry (ASFI):** is a website where Army activities post solicitations for review by vendors, enabling maximum competition and in support of the federal requirement to be paperless.

**Brand Name or Equal:** An acquisition that uses a brand name description or other purchase description to specify a particular brand name, product, or feature of a product, peculiar to one manufacturer.

**Blanket Purchase Agreement (BPA):** is a simplified method of filling anticipated repetitive needs for supplies or services by establishing "charge accounts" with qualified sources of supply.

**Bulk Funding:** is a system whereby a contracting officer receives authorization from a fiscal and accounting officer to obligate funds on purchase documents against a specified lump sum. The funds are reserved for the purpose of a specified period of time rather than obtaining individual obligation authority on each purchase document. Also used to establish for funding of the government credit card accounts.

**Class A Agent:** a commissioned or warrant officer, enlisted soldier in grade of E-7 and above, or civilian in grade of GS-9 and higher appointed to act as an agent of the Defense Accounting Office for the purpose of making payments as specified in the ordering officers appointment letter using SF44's.

**Commercial Item:** any item evolving from or available in the commercial marketplace that will be available in time to satisfy the user requirement. They are a combination of items customarily combined and sold to the general public. Services (installation, maintenance, training and other) for these items may be procured for federal government use. These services are offered and sold competitively, in substantial quantities, and are available in the commercial marketplace.

**Contracting Officer's Representative (COR):** Any Government employee, military or civilian, selected and designated by a contracting officer to act as the authorized representative in administering a contract. The appointment of the COR is made simultaneously with the contract award. Prior to contract formalization, the term 'COR designee' is technically correct. The authority and limitations of the COR are cited in the letter of appointment issued by the contracting officer.

**Consumable Supplies:** are supplies consumed in use, such as ammunition, fuel, cleaning and preserving materials, surgical dressings, drugs, or supplies that lose their separate identity in use such as repair parts and building materials. (AR 735-5)

**Defense Accounting Officer:** the staff officer or deputy assigned to perform the duties set forth in the prescribed regulations and charged with maintaining the system of

accounts and financial procedures through which the commander's responsibilities are stated and discharged in monetary terms. The Defense Accounting Officer may also be a disbursing officer if public funds are disbursed in connection with assigned duties.

**Defense Finance and Accounting Services (DFAS):** regional finance and accounting offices provide finance and accounting support to the Department of Defense.

**Delivery Order (DO):** an order for supplies or services placed against an established contract or with Government sources of supply.

**Direct Health Care Providers (DHCP):** an individual who provides direct hands on patient care, either medical or dental. Physicians, Dentists, Nurses, and Radiology Technicians are examples of direct health care providers.

**Electronic Commerce (EC):** the paperless exchange of business information, using electronic data interchange, electronic mail, electronic bulletin boards, electronic fund transfer, and other similar technologies.

**Electronic Data Interchange (EDI):** computer to computer exchange of business data in a standardized format.

**Expendable Items:** items that require no formal accountability after issue from a stock record account. This category consists of items which are consumed during normal usage such as rations, gasoline, office supplies, or are merged into another entity when used for their intended purpose, such as nuts and bolts, construction materiel, repair parts and components and assemblies. (AR 710-2-2, DA Pam 710-2-1, DA Pam 710-2-2, and AR 735-5)

**Government Purchase Card (GPC):** a purchase card, similar in nature to a commercial credit card, issued to authorized agency officials for their use in acquiring supplies and services.

**Micro-purchases:** those purchases which do not exceed \$2500 and are not subject to the Small Business Act reservation requirement, the Buy American Act, or competitive procedures.

**Non-consumable supplies:** supplies not consumed in use and retain their original identity during the period of use, such as weapons, machines, tools, furniture, and fixtures. (AR 735-5)

**Nonexpendable items:** are items that require property book accountability after issue from the stock record account. This category consists of end items of equipment, which are separately identified. (AR 710-2, DA Pam 710-2, DA Pam 710-2-2, AR 735-5)

**Nonpersonal Services:** services being provided to the government in which personnel rendering them are not subject, either by contract's terms or by the manner of its administration, to the supervision and control of such as a Government employees.

**Option(s):** means a unilateral right in a contract by which, for a specified time, the Government may elect to purchase additional supplies or services called for by the contract, or may elect to extend the term of the contract.

**Ordering Officer:** a representative of the Contracting Officer appointed by the Chief, ERM Contracting Cell, under the provisions of the Army Federal Acquisition Regulation Supplement (AFARS) Part 213.505-3 for the purpose of procuring mission essential supplies and services in support of a contingency operation or training exercise. There is no grade requirement for appointment of an ordering officer.

**Performance Based Contracting:** structuring all aspects of an acquisition around the purpose of the work to be performed, opposed to the manner by which the work is to be performed or broad and imprecise statements of work.

**Personal Services:** when services are performed by individuals, and by the express terms of a contract or the administration of the contract, the individual appears, in effect to be a Government employee.

**Purchase Order (PO):** an offer by the Government to buy certain supplies, equipment or services from commercial sources, upon specified terms and conditions, the aggregate amount of which does not exceed the simplified acquisition threshold. Either a DD1155 (Order for Supplies or Services) or SF1449 (Solicitation/Contract/Order for Commercial Items) will be utilized to document these contractual actions.

**Simplified Acquisition Procedures (SAP):** the methods prescribed in FAR Part 13 for making purchases of supplies or services using purchase orders, blanket purchase agreements, government purchase card, or any other appropriate method.

**Warrant:** specifies the authority a contracting officer has to obligate the government. The warrant is issued based upon experience, education and business acumen. It will specify the dollar thresholds and types of contracts a contracting officer may obligate.



## CHAPTER 3

### HOW IT ALL FITS TOGETHER

#### 1. GENERAL

a. For contract actions, confer with the ERMCCC early on during your planning process to obtain proper advice and assistance. It will also aid us in planning our workload and meeting your requirements.

b. Provide ERMCCC with a complete requirement package. This includes a clear description of the requirement, funding authorization, and local purchase authority.

c. Competition Requirements:

<b>Dollar Amount</b>	<b>Sources Required</b>
Up to \$2,500	One if price is fair and reasonable
Over \$2,500	Three

d. Ensure:

(1) Requirements are not split to overcome timing and/or funding restrictions. Requirements aggregating more than the simplified acquisition threshold shall not be broken down into several purchases that are less than the threshold merely to permit use of simplified acquisition procedures.

(2) All necessary approvals have been obtained.

(3) Identification of brand name or equal, if applicable.

#### 2. CONTRACTING OFFICER (KO) RESPONSIBILITIES

a. Promote and provide for full and open competition in soliciting offers and awarding Government contracts IAW 10 U.S.C. 2304 and 41 U.S.C. 253 through the use of the competitive procedures.

b. Ensure coordination with key players (DFAS, Chief of Logistics, RMD, legal, etc.)

c. Decide whether to use simplified acquisition procedures, commercial item procedures, or formal contracting procedures.

d. Decide whether to use Request for Quote (RFQ), Invitation for Bid (IFB) or Request for Proposal (RFP).

e. Decide anticipated contract type.

- f. Comply with EC/EDI requirements.
- g. Prepare and issue the solicitation.
- h. Evaluate proposals.
- i. Award the contract.
- j. Perform contract administration.

### 3. CUSTOMER RESPONSIBILITIES

#### a. Throughout the Requirement Establishment/Request/Receipt Process:

- (1) Ensure coordination with key players (Property Book, Materiel Branch, Medical Maintenance, Chief of Logistics, IMD, RMD, etc.)
- (2) Begin advanced acquisition planning by using contract administrative lead times provided by the ERMCCC.
- (3) Provide input in the solicitation development (IGE, evaluation factors, special provisions, etc.)
- (4) Provide input to allow the contracting officer to determine the procurement process.
- (5) Participate in evaluating proposals.
- (6) Assist in the contract administration phase (COR, technical monitors, receipt, acceptance, etc.)

#### b. When requesting contracting support:

- (1) Complete DA Form 3953, Purchase Request and Commitment (PR&C).  
Appendix A
- (2) Prepare a Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP) for services. Appendix C
- (3) Prepare and submit an Independent Government Estimate (IGE) for the cost of supplies or services. Appendix B
- (4) Obtain approvals (Commander, Logistics, Information Management, Facilities Management, Library and Ergonomic Oversight, etc) as appropriate.

(5) Obtain funding (different types of supplies and services require different "colors" of money).

(6) Provide a Contracting Officer's Representative (COR), when asked to by the Contracting Officer.

(7) Account for and maintain leased and purchased property.

(8) Complete and submit, receiving reports to acknowledge satisfactory contract completion on DD Form 1155, SF 1449 or DD Form 250 to the appropriate office.

c. Procurement Integrity:

"Contractor bid or proposal information" means any of the following information submitted to a Federal agency as part of or in connection with a bid or proposal to enter into a Federal agency procurement contract, if that information has not been previously made available to the public or disclosed publicly:

(1) Cost or pricing data (as defined by 10 U.S.C. 2306a(h)) with respect to procurements subject to that section, and section 304A(h) of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 254b(h)), with respect to procurements subject to that section.

(2) Indirect costs and direct labor rates.

(3) Proprietary information about manufacturing processes, operations, or techniques marked by the contractor in accordance with applicable law or regulation.

(4) Information marked by the contractor as "contractor bid or proposal information" in accordance with applicable law or regulation.

(5) Information marked in accordance with [52.215-1](#)(e).

d. Vendors should never know how much money we have available for future contracts.

## **CHAPTER 4**

### **ACQUISITION PLANNING**

#### **GENERAL**

a. Acquisition planning is a process by which the efforts of all personnel (you as the requiring activity, logistics, resource management, information management, legal, and contracting) responsible for an acquisition are coordinated and integrated through a comprehensive plan for fulfilling the agency's needs in a timely manner and at a reasonable agency's cost. It includes developing the overall strategy for managing the acquisition. This planning begins when the need is first thought of by you all the way through the acquisition process to include receipt and acceptance of the requirement.

This means we need to work together as a team from the point of conception to develop the strategy and carry out the acquisition of a required item/service. We should all avoid issuing requirements on an urgent basis or with unrealistic delivery or performance schedules. Logistics and planning should be involved to allow us to consolidate acquisitions for similar or like items allowing us to take advantage of quantity discounts, saving you money that can then be spent on your other requirements.

b. The following are things that should be considered during the acquisition planning process:

(1) Acquisition background and objectives. What is the requirement and its priority?

(2) Cost

(3) Capability or performance. Also consider any constraints on these.

(4) Delivery or performance period requirements.

(5) Trade-offs

(6) Risks

(7) Possible sources

(8) Budgeting and funding

(9) Product or service descriptions

(10) Management Information Requirements

(11) Environmental/energy and security considerations

## **CHAPTER 5**

### **PURCHASE REQUESTS**

#### **1. GENERAL**

All requests for local purchase of medical supplies, services and equipment will be typed and submitted on DA Form 3953 (Purchase Request and Commitment). DA Form 3953 can be completed and submitted in hard copy, or via the automated system interfaces. Appendix A of this Customer Handbook gives instructions for completing the DA Form 3953.

#### **2. DESCRIPTION OF SUPPLY AND SERVICE**

a. It is the responsibility of the requesting activity acting in conjunction with technical and supply personnel, to prepare a purchase request, which clearly and thoroughly describes the requirement. All pertinent brochures, descriptive literature or other data describing the requirement must accompany the purchase request. Failure to specify essential information such as color, size, weight, electrical current, accessories, options, installation requirements, etc., delay the procurement process and often result in incorrect items being received. Purchase descriptions must also be written in a manner, which permit a maximum degree of competition.

b. Requirements may be described using either of the following techniques:

(1) Purchase description of the required supply or service expressed in common or generic terms. Description must clearly and completely identify the requirement and will normally include the common nomenclature, kind of material, electrical data, dimensions, size or capacity, restrictive environmental conditions, intended use, equipment to be used with and or pertinent data which describes the item, material, or service. Specifications should only state the government's minimal needs. Restrictive features that unduly limit the number of potential suppliers should be avoided. An example of a restrictive and non-restrictive purchase description follows:

#### **RESTRICTIVE**

Motor, electric 117VAC, 60Hz

Single phase, open drip proof; 5 ¼ HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1800 rpm. Dimensions: 12 1/8" diameter of housing, length 15".

Mounting: 4 screws centered on 3 13/32" radius circle, equally spaced.

Weight 24 pounds. With 32" connection wire sheathed in CRES 306 Bombay, Inc., protective flexible covering 1/16" thick.

## UNRESTRICTIVE

Motor, electric 117VAC, 60Hz

Single phase, open drip proof; minimum 5 HP; frame size 215, rotation CCW, single shaft ball bearing, continuous duty 50 degree C ambient temperature operation, 1700-1900 rpm. Maximum dimensions: 2' by 2' x 2'. Maximum weight 35 pounds. With at least 30" connection wire, flexible metal sheathed covering at least 1/16" thick.

(2) "Brand name or equal" purchase descriptions can be used to identify commercial items. This type of description must identify the manufacturer of the referenced product, the applicable model number, followed by the words "or equal" (which distinguishes from a sole source request). A description list of the salient physical and functional characteristics found in the referenced item, which are essential to the needs of the government must also be provided. Purchase requests that merely identify a characteristic or a sole source justification are unacceptable. Multiple brand name designations should be supplied when more than one product is known to meet the Government's needs. An example of a correct and an incorrect "Brand name or equal" description is shown below:

## INCORRECT

Upright frame, pallet rack, Palmer-Shile Stock 88, P/N S88-14440 or similar.  
Suggested Source: Palmer-Shile, Inc.

## CORRECT

Upright frame, pallet rack, metal

Palmer-Shile Stock 88, P/N S88-14440; or EMI Air-Row Head,  
P/N H-2-40144; or Brian Lyttle Beamlock Hpl-40-144; or  
Storage Systems Inc. P/N 4055-108; or EQUAL.

Salient Characteristics: Height 12 feet (+3"), Depth 40 inches (+1"),  
Capacity minimum 22,000 lbs each, boltless type, adjustable on 3 or  
4 inch centers, with integral or detachable footplates. Delivered in  
knock down form.

(3) Sole source. Statutory provisions require Contracting Officers to obtain competition on all purchases estimated in excess of \$2,500 to the maximum extent practicable. In order for the Contracting Officer to limit competition, any contention that only one firm can satisfy the government's minimum needs must be supported. A written statement fully justifying the request for a sole source purchase must accompany any purchase request which is based upon the product of a single supplier. Reference Appendix H for further information regarding the requirements for sole source purchases.

## 3. SOURCES OF SUPPLY

a. For purchases greater than \$2,500 provide at least one source of supply or more if available. However, if no responsive quotes are received, the source information will assist in expediting the process.

b. The FAR stipulates the priority for utilization when contracting for supplies is:

(1) Federal Prison Industries, Inc (FPI), also known as UNICOR. (Within the United States, DoD is mandated to utilize FPI for supplies. You must have a waiver from FPI prior to going to another source for an item they can provide. This is true within all 50 states).

(2) Committee for Purchase from People Who Are Blind or Severely Disabled, also known as NIB/NISH.

(3) Federal Supply Schedules (FSS). (DoD is only an optional user of FSS)

(4) Commercial Sources (including educational and nonprofit institutions).

c. The FAR stipulates that the priority for utilization when contracting for services is:

(1) Committee for Purchase from People Who Are Blind or Severely Disabled, also known as NIB/NISH.

(2) Federal Supply Schedules (FSS). (DoD is only an optional user of FSS)

(3) Federal Prison Industries, Inc (FPI), also known as UNICOR, or commercial sources (including educational and nonprofit institutions).

## **CHAPTER 6**

### **SIMPLIFIED ACQUISITION PROCEDURES (SAP)**

#### **1. POLICY AND PROCEDURES**

a. Simplified acquisition procedures shall be used to the maximum extent practicable for all purchases up to \$100,000.00 and for commercial items up to \$5 million unless requirements can be met by using required sources of supply. See FAR, DFAR and AFARS for "Required Sources of Supply" (e.g., Federal Prison Industries (FPI), National Industry of the Blind and Severely Handicapped (NIB/NISH)) or orders under Federal Information Processing multiple awards schedule contracts.

b. Simplified acquisition procedures shall not be used if the initial cost estimate is expected to exceed the SAT limitation or is for a commercial item over \$5 million even though the resulting awards do not exceed that limit. Requirements shall not be split merely to permit negotiations under the SAP.

c. Contracting Officers shall use the SAP that is most suitable, efficient and economical in the circumstances of each acquisition.

#### **2. COMPETITION AND PRICE REASONABLENESS**

a. Transactions over the SAT (\$100,000) may be synopsisized utilizing ASFI. Under SAP procedures for commercial items this will be accomplished using a combined synopsis/solicitation simultaneous with Electronic Commerce via the Army Single Faced Industry. Non-Commercial items do not follow SAP procedures and must be both synopsisized and solicited separately via the ASFI.

b. Transactions over \$2,500 must be competed in accordance with the FAR.

c. Quotations for transactions over \$2,500 will be issued on Electronic Commerce via FedBizOpps. Quotations will be available for contractors to provide quotes for approximately three (3) days or longer depending upon the complexity of the requirement.

d. The determination that a proposed price is reasonable should be based on competitive quotations, however, the determination may be based on a comparison of proposed price with prices found reasonable on previous purchases, current price lists, catalogs, advertisements, value analysis personal knowledge or any other reasonable basis.

e. A quotation is not an offer and consequently cannot be accepted by the Government to form a binding contract. An order for supplies or services issued in response to a supplier's quotation does not establish a contract. A contract comes into being when the supplier accepts the order by written acceptance or by furnishing the supplies ordered or proceeding with the work.



f. Purchases not over \$2,500 are considered to be micro-purchases.

(1) Should be purchased utilizing the Government Purchase Card. (GPC)

(2) If this is not a one-time requirement, but a recurring demand item you need to speak with ERMCCC about the possible contract vehicles that would cover your requirement. Using a consolidated contract action has the potential of saving paperwork, time, and money.

### 3. TYPES OF SIMPLIFIED ACQUISITIONS.

There are 4 types of simplified acquisition procedures. The most common is to issue a purchase order on a SF 1449. It is used for all purchases requiring complete documentation and for most purchases deliverable on a definite calendar date. The other three are more simplified methods and used to replace the purchase order when circumstances permit. In general, the five methods used are:

#### a. Purchase Orders (PO):

(1) Used for purchases up to \$100,000.

(2) Issued on SF 1449 or DD 1155.

(3) Used to effect a simplified acquisition transaction when none of the other simplified methods are applicable.

(4) Purchase orders shall be issued on a fixed price basis unless otherwise authorized by agency procedures.

(5) Purchase orders shall include any trade and prompt payment discounts that are offered.

(6) Purchase orders shall specify the quantity of supplies or services ordered.

(7) Inspection and acceptance can be at destination or origin of shipment. It is normally advised that inspection and acceptance occur at destination; otherwise the government is liable for transportation arrangements and for the property while in shipment.

(8) Each purchase order shall contain a determinable date by which delivery of supplies or performance of services is required.

b. Blanket Purchase Agreement (BPA). This is a simplified method of filing anticipated repetitive needs for supplies or services by establishing charge accounts with qualified sources. BPA's are really agreements to terms and conditions, which if not set forth under a basic agreement, would have to be negotiated each time a buyer goes to the

market place. BPA's are just agreements. Users of BPAs are required to maintain log records showing all purchases. Under BPAs you are still subject to follow price reasonableness determinations and competition requirements. The files are inspected annually, as a minimum.

Requiring activities can have individuals appointed to utilize BPAs as follows:

(1) Prepare and submit a memorandum stating what the anticipated purchases are by Federal Supply Group/Federal Supply Class (FSG/FSC), estimate annual dollars, and list individuals to be appointed to the ERMCCC.

(2) Prepare and submit funding documentation (DA Form 3953 – Purchase Request and Commitment).

(3) All individuals appointed to purchase from a BPA are required to attend training on BPA ordering and provide all files for review when requested by the ERMCCC.

(4) BPA users' will maintain all mandatory documentation ready for inspections at all times. Documentation will show proof of competition and price reasonableness.

c. Other Agency Contracts/ Delivery Orders. In addition to contracts and purchase orders awarded at ERMCCC, there are instances when contracts awarded by other government agencies (i.e., General Services Administration (GSA) or other world-wide requirements contracts issued by other agencies) can be used to obtain needed supplies and services.

d. Government Purchase Card (GPC) The government credit card program has been implemented within DoD as a tool to use in making one time purchases up to \$2,500. Use of the credit card is authorized to support mission requirements IAW with the policies and procedures you have learned about in the mandatory training sessions prior to receiving the card. You must remain within the individual call and total purchase limits established by resource management. If you have any questions about the policies or procedures for using the GPC then contact your Agency Program Coordinator (APC), at ERMCCC.

(1) It is considered splitting orders when you purchase on the same day or consecutive days, items from the same source in a manner to keep the purchases under your \$2,500 single purchase limit. When you have an overall requirement greater than \$2,500 you must forward that through the appropriate channel for local purchase.

(2) Recurring requirements should be purchased utilizing the supply channels and your contracting office. There are contractual methods that will enable you to save money by buying these items in large quantities or under a single contract document. If you have any questions feel free to call us for assistance.

(3) It is the joint responsibility of the cardholder and the approving official to ensure only authorized expenditures are purchased with the credit cards and that timely approval and certification is accomplished.

## **CHAPTER 7**

### **RECURRING REQUIREMENTS**

#### **1. GENERAL**

Recurring demands or requirements should be purchased utilizing a contract action that will cover the total annual requirement. This reduces paperwork and allows price breaks for larger quantities. There are contract vehicles to utilize if the exact quantity(s) or the exact delivery date(s) are not known. This chapter will explain some of the options available. When there are recurring requirements discuss these options and other possible options with a member of ERMCCC to find out what would be the best approach.

#### **2. INDEFINITE-DELIVERY CONTRACTS.**

There are three types of indefinite-delivery contracts: definite-quantity contracts, requirement contracts, and indefinite-quantity contracts. These contracts may be used to acquire supplies or services when the exact time and/or quantities of future deliveries are not known at the time of contract award. These various types of indefinite-delivery contracts provide the following advantages:

a. All three types permit-

- (1) Government stocks to be maintained at a minimum level; and
- (2) Direct shipment to users.

b. Indefinite-quantity contracts and requirements contracts also permit-

- (1) Flexibility in both quantities and delivery scheduling; and
- (2) Ordering of supplies or services after requirements materialize.

c. Indefinite-quantity contracts limit the Government's obligation to the minimum quantity specified in the contract.

d. Requirement contracts may permit faster deliveries when production lead time is involved, because contractors are usually willing to maintain limited stocks the Government will obtain all (if any) of its actual purchase requirements from that contractor.

#### **3. NO COST EQUIPMENT**

Contact ERMCCC for further guidance and details.

## **CHAPTER 8**

### **DIRECT HEALTH CARE PROVIDER CONTRACTS**

#### **GENERAL**

Title 10 U.S.C. 1091 authorizes the Secretary of Defense to enter into personnel service contracts to carry out health care responsibilities in medical treatment facilities. This statute establishes the procedures that will be utilized when processing actions for Direct Health Care Providers (DHCP) and states that personal services is the preferred method when contracting for DHCP. Additionally, the statute establishes the maximum compensation that can be provided to any individual under a personal service contract.

a. The acquisition procedures for these contracts are streamlined; however, statements of work (SOW) are still required. As ERMCCC is part of a MEDCOM acquisition team, which are medical acquisition specialists, we do have on file or access to numerous SOWs. Please submit your tailored SOW with the Purchase Request and Commitment (PR&C) form.

b. DHCPs are routinely and preferably personal services. This means that they work directly under the supervision of government personnel. The contractor's time & attendance is to be accounted for by the Contracting Officer's Representative (COR). As a personal services contractor, DHCP are not required to obtain medical malpractice liability insurance because of the employer-employee relationship between the government and the individual health care provider. (For personal service contracts with business entities the contract does not establish an employer-employee relationship between the government and the corporation, partnership, business association or other party or legal entity to which the individual health care provider(s) may be associated with. Therefore malpractice insurance is a requirement when contracting with business entities)

c. The process for contracting with individual DHCP is streamlined by eliminating the requirement of posting and synopsisizing the requirement. The ERMCCC can assist you by explaining the procedures that have been established in DoD for processing these actions.

d. In accordance with the Defense Federal Acquisition Regulation (DFAR) the MTF or dental facility commander must approve all personal service contracts for health care providers.

## **CHAPTER 9**

### **SPECIAL TRANSACTIONS**

#### **1. EQUIPMENT DEMONSTRATIONS/TESTS**

There may be instances when you are not sure if a piece of equipment will accomplish the mission. The vendor(s) may be willing to allow you to test the equipment prior to deciding if you want to purchase it or a similar piece of equipment. In these instances an agreement between the vendor and the Government can be initiated which allows the vendor to loan the equipment to the Government for a test period. ERMCCC may approve demonstration/test agreements for a period of 30 days. For periods longer than 30 days the request is processed through ERMCCC to the MEDCOM Healthcare Acquisition Activity for approval.

a. ERMCCC will contact the vendor to obtain their signature on the necessary paperwork. Upon signature of the vendor and the contracting officer, you will be notified by ERMCCC. You may then have the equipment delivered for the test period.

b. You must ensure that you coordinate the arrival of the equipment with logistics and/or appropriate office.

c. Upon the expiration of the agreement (30 days) you must give ERMCCC notification that the equipment has been returned to the vendor.

#### **2. LEASE VERSUS PURCHASE OPTIONS**

a. The decision to lease/rent rather than purchase must be made on a case by case basis when clearly it is in the best interest of the Government. The following are situations where lease/rentals are generally considered prudent: Item is not for sale; Item is needed for one-time, short-term requirement of 6 months or less; Item will become obsolete within one year due to substantial technological advancements; or lease/rental can be shown through economic analysis to be cheaper than purchase.

b. All purchase requests for items with an annual lease/rental cost should have an economic analysis comparing the cost of rental vs purchase. Analysis will consider all related expenses (maintenance, operating supplies, salvage, etc.) over the life of the item. Assistance in preparing this document can be obtained by contacting your appropriate comptroller or fiscal officer.

### 3. GUEST SPEAKERS

- a. A guest speaker is an individual whom delivers lectures without Government supervision, at specific places, on specific dates and on a specialized subject.
- b. The purchase request will provide a breakout of cost as follows:
  - (1) Honorarium
  - (2) Air travel or mileage reimbursement
  - (3) Local per diem costs (Hotel, taxi, etc.)
  - (4) Other expenses
- c. There is a regulatory limit on the amount that may be paid for honorariums and requirements to exceed that dollar threshold must be approved at the next higher command. This means that honorariums greater than the approved limit for would have to be forwarded to MEDCOM for approval.
- d. Travel is restricted to same authorizations as that of government employees under the Joint Travel Regulations.

### 4. UNUSUAL AND COMPELLING URGENCY

- a. If your activity has a requirement that needs to be purchased immediately, concurrence by resource management and logistics needs to take place before manual orders can be placed.
- b. Contracting has procedures to process these types of requirements outside of normal business hours to include weekends and holidays. Manual contracts can be issued immediately by contracting officers to vendors with a verbal authorization from logistics.

## CHAPTER 10

### JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION (SOLE SOURCE)

The following information is provided to assist you in preparing your sole source justification for requirements between \$2,500 - \$100,000. See Appendix G for the sample format. Sole source requirements in excess of \$100,000 will require a Justification and Approval (J&A) document. Contact us for assistance with the preparation of the J&A.

In accordance with Federal Acquisition Regulation (FAR) 6.303-2, the following is required to support non-competitive purchases.

#### **FAR 6.303-2-- Content.**

(a) Each justification shall contain sufficient facts and rationale to justify the use of the specific authority cited. As a minimum, each justification shall include the following information:

- (1) Identification of the agency (*your organization*) and the contracting activity (*European Regional Medical Center Contracting Cell*), and specific identification of the document as a "Justification for other than full and open competition." *This should be in the SUBJECT of your document.*
- (2) Nature and/or description of the action being approved.
- (3) A description of the supplies or services required to meet the agency's needs (including the estimated value).
- (4) An identification of the statutory authority permitting other than full and open competition.

The following statutory authorities (including applications and limitations) permit contracting without providing for full and open competition. Requirements for justifications to support the use of these authorities are in 6.303.

#### **FAR 6.302-1 -- Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements.**

(a) *Authority.* 10 U.S.C. 2304(c)(1) When the supplies or services required by the agency are available from only one responsible source, or, for DOD, NASA, and the Coast Guard, from only one or a limited number of responsible sources, and no other type of supplies or services will satisfy agency requirements, full and open competition need not be provided for.

When the agency head has determined in accordance with the agency's standardization program that only specified makes and models of technical equipment and parts will satisfy the agency's needs for additional units or replacement items, and only one source is available.



*Application for brand name descriptions.* An acquisition that uses a brand name description or other purchase description to specify a particular brand name, product, or feature of a product, peculiar to one manufacturer does not provide for full and open competition regardless of the number of sources solicited. It shall be justified and approved in accordance with FAR 6.303 and 6.304. The justification should indicate that the use of such descriptions in the acquisition is essential to the Government's requirements, thereby precluding consideration of a product manufactured by another company. (Brand-name or equal descriptions and other purchase descriptions that permit prospective contractors to offer products other than those specifically referenced by brand name, provide for full and open competition and do not require justifications and approvals to support their use.)

**FAR 6.302-2 -- Unusual and Compelling Urgency.**

(a) *Authority.* 10 U.S.C. 2304(c)(2). When the agency's need for the supplies or services is of such an unusual and compelling urgency that the Government would be seriously injured unless the agency is permitted to limit the number of sources from which it solicits bids or proposals, full and open competition need not be provided for. This authority applies in those situations where (1) an unusual and compelling urgency precludes full and open competition, and (2) delay in award of a contract would result in serious injury, financial or other, to the Government.

**FAR 6.302-3 -- Industrial Mobilization; Engineering, Developmental, or Research Capability; or Expert Services.**

(a) *Authority* 10 U.S.C. 2304(c)(3) Full and open competition need not be provided for when it is necessary to award the contract to a particular source or sources in order-- (i) To maintain a facility, producer, manufacturer, or other supplier available for furnishing supplies or services in case of a national emergency or to achieve industrial mobilization, (ii) To establish or maintain an essential engineering, research, or development capability to be provided by an educational or other nonprofit institution or a federally funded research and development center, or (iii) To acquire the services of an expert or neutral person for any current or anticipated litigation or dispute.

**FAR 6.302-4 -- International Agreement.**

(a) *Authority.* 10 U.S.C. 2304(c)(4) Full and open competition need not be provided for when precluded by the terms of an international agreement or a treaty between the United States and a foreign government or international organization, or the written directions of a foreign government reimbursing the agency for the cost of the acquisition of the supplies or services for such government.

**FAR 6.302-5 -- Authorized or Required by Statute.**

(a) *Authority.* 10 U.S.C. 2304(c)(5) Full and open competition need not be provided for when (i) A statute expressly authorizes or requires that the acquisition be made through another agency or from a specified source, or (ii) The agency's need is for a brand name commercial item for authorized resale.

**FAR 6.302-6 -- National Security.**

(a) *Authority.* 10 U.S.C. 2304(c)(6) Full and open competition need not be provided for when the disclosure of the agency's needs would compromise the national security unless the agency is permitted to limit the number of sources from which it solicits bids or

proposals. This authority may be used for any acquisition when disclosure of the Government's needs would compromise the national security (e.g., would violate security requirements); it shall not be used merely because the acquisition is classified, or merely because access to classified matter will be necessary to submit a proposal or to perform the contract.

**FAR 6.302-7 -- Public Interest.**

(a) *Authority.* 10 U.S.C. 2304(c)(7) Full and open competition need not be provided for when the agency head determines that it is not in the public interest in the particular acquisition concerned.

(1) A demonstration that the proposed contractor's unique qualifications or the nature of the acquisition requires use of the authority cited. *Describe the characteristics or qualifications that support a non-competitive purchase. (i.e., compatibility with existing equipment, unique capabilities of product,*

*(2) A statement of the actions, if any, the agency may take to remove or overcome any barriers to competition before any subsequent acquisition for the supplies or services required. (If you should need to purchase this item or service in the future, what action have you taken to prevent it from being non-competitive, if any. If none, explain why no action can be taken.)*

Each justification shall include evidence that any supporting data that is the responsibility of technical or requirements personnel (e.g., verifying the Government's minimum needs or schedule requirements or other rationale for other than full and open competition) and which form a basis for the justification have been certified as complete and accurate by the technical or requirements personnel.

## **CHAPTER 11**

### **RECEIVING LOCALLY PROCURED ITEMS**

The Central Receiving Point (CRP), generally Medical Materiel or Equipment Management Branch is responsible for completing a receiving report after the receipt of supplies and or completion of services (i.e., lease or repair of equipment). If a CRP does not receive a commodity or does not have oversight of the services being performed then you, as the requiring activity, are responsible for conducting an inspection of supplies and/or services for all locally purchased items and generating the receiving report.

a. Inspection of Supplies and Services. Supplies and services will be inspected at the time the receiving report is completed and a copy of the inspection form forwarded to the ERMCC Accounting Office for ERMCC activities, and DFAS for all other activities. Additional copies should be sent to ERMCCC and your resource manager. You should contact the Contracting Officer in a timely manner to obtain timely assistance in correcting deficiencies/discrepancies. For actions which you have been formally appointed as a Contracting Officer Representative and a formal Quality Assurance Plan has been developed, utilize the checklist from the plan to annotate results of your inspection. For other actions annotate on a Memorandum or Distribution Form the discrepancies and attach this to your receiving report. Discrepancies must be explained in sufficient detail in order to give the contracting officer sufficient information to correct the problem with the vendor/contractor.

(1) Supplies will be inspected at the time they are received. Verify items received are free from obvious damage and that the quantity ordered, shipped and received is the same. Verify that the item received is the item that was ordered.

(2) Services, such as leased equipment, will be inspected at the time they are received and at the completion of the lease. The intent is to ensure that existing damages are not caused by the Government and not claimed by the vendor. You must process leased equipment with Equipment Management Branch.

(3) Services, such as housekeeping, organist, and medical technicians, will be inspected during the performance of the service IAW with the quality assurance plan. Additionally if you have noted deficiencies and the contract does not have a quality assurance plan, notify the contracting officer annotating problems on a Memorandum or Distribution Form immediately. Receiving Reports must be submitted in conjunction with invoices in a timely manner to allow the contractor to be paid in a timely manner.

b. There are several options to include use of either the SF1449 or DD Form 1155 contract documents. Another option is to complete a DD Form 250, Materiel Inspection and Receiving Report. See Appendix H for instruction on completing these forms as a receiving report.

## CHAPTER 12

### RATIFICATION OF UNAUTHORIZED COMMITMENTS

#### GENERAL

An unauthorized commitment means any agreement that is not binding solely because the Government representative who made it lacked the authority to enter into that agreement on behalf of the Government. Only warranted contracting officers have the authority to enter into agreements on behalf of the Government. A Ratification is the act of approving an unauthorized commitment by an official who has the authority to do so.

The procedures for doing a ratification are paperwork intensive on the part of the individual who caused the unauthorized commitment. **Additionally, processing the paperwork does not guarantee that it will be approved. If a ratification is not approved, the individual whom caused the commitment may find that they are liable and must pay the vendor/contractor. The commander may also take disciplinary action.**

#### 2. RATIFICATION PROCEDURES

a. The individual who made the unauthorized commitment shall forward documentation concerning the transaction to the individual's commander. The documentation shall include:

(1) A signed statement describing the circumstances, the reason normal contracting procedures were not followed, what bona fide Government requirement necessitated the commitment, the benefit received and its value, and any other pertinent facts; and

(2) All other relevant documents to include: orders, invoices, or other evidence of the transaction.

b. The commander will determine if he/she concurs with the ratification.

(1) If the commander determines that he/she concurs that the commitment should be ratified, the documentation should be forwarded to the ERMCCC with an endorsement that:

(a) Verifies the accuracy and completeness of the documentation;

(b) Describes the measures taken to prevent a recurrence of unauthorized commitments, including a description of any disciplinary action to be taken; and

(c) Provide a complete purchase description and funding for the ratifying contract. All appropriate approval levels and fund certifying officers must sign the

purchase request. Additionally, the Resource Management Office must endorse the package with a statement that *"Funds are available and were available at the time the unauthorized commitment was made."*

c. ERMCCC will review the ratification package for adequacy of all facts, records, and documents furnished and for requesting any additional materiel that may be required. The package is forward for legal contract review/concurrence and returned to ERMCCC. ERMCCC then makes a recommendation as to whether or not the transaction should be ratified and reasons for the recommendation. If the recommendation is not to ratify the action a recommendation should include whether or not the matter should be processed under FAR Part 50 as a GAO claim or in some other way. Ratification packages over \$10,000 will be forwarded thru ERMCCC to Health Care Acquisition Activity (HCAA) for approval.

## **CHAPTER 13**

### **CONTRACTING OFFICER'S REPRESENTATIVE**

#### **GENERAL:**

A Contracting Officer's Representative (COR) is an individual that has been designated by a Contracting Officer to assist in the technical monitoring or administration of a contract. It is the Contracting Officer who makes a determination that a COR is needed to assist in the administration of a contract and it is the responsibility as the requesting activity to nominate individuals for that position when requested by the Contracting Officer.

The COR must be a government employee, unless otherwise authorized by MEDCOM regulations. Additionally, the COR must be qualified by training and experience commensurate with the responsibilities to be delegated.

a. The contracting officer will designate in writing and furnish a copy to the contractor specifying:

- (1) The extent of the COR's authority to act on behalf of the contracting officer.
- (2) The limitations of the COR's authority.
- (3) The period covered by the designation.
- (4) The authority that can not be re-delegated.
- (5) That the COR may be personally liable for unauthorized acts.

b. The COR must maintain a file for each contract assigned. This file must include at a minimum:

- (1) A copy of the contracting officer's letter of designation and other documentation describing the COR's duties and responsibilities.
- (2) Documentation of actions taken in accordance with the delegation authority.
- (3) At the close of the contract all files will be forwarded to the contracting officer.
- (4) Contract Copy

## **Appendix A**

### **COMPLETING DA Form 3953**

#### **1. GENERAL**

Completion of DA Form 3953, Purchase Request and Commitment (PR&C) is the customer's (requiring element's) responsibility. The form must be filled out in sufficient detail. The customer is responsible for ensuring that all internal (supervisory) approval levels, information management, property book, medical maintenance, medical materiel, and resource management coordination and approvals are completed.

#### **2. PREPARATION INSTRUCTIONS**

The following will provide block by block instructions on preparing DA Form 3953:

a. Block (1) – PURCHASE INSTRUMENT NO. Document number from requiring activity element or comptroller.

b. Block (2) – REQUISITION NO. Document number from requiring element that includes the Department of Defense Activity Address Code (DODAAC), Julian Date, and serial number.

c. Block (3) – DATE. Date of requisition.

d. PAGE \_\_\_\_ OF \_\_\_\_ PAGES. Fill in blanks.

e. Block (4) – TO. ERMIC Contracting Office  
CMR 402 Bldg 3705  
APO, AE 09180

f. Block (5) – THRU. Name/address of requiring element Director/Supervisor.

g. Block (6) – FROM. Name/address of ordering organization.

h. Block (7) – PURCHASED FOR. Name of organization for which supplies/services are being purchased.

i. Block (8) – DELIVERED TO. Organization/address of Central Receiving Point.

j. Block (9) – NOT LATER THAN (Date). Latest date when delivery/performance is required. The date must be realistic and based on the Standard Delivery Dates for each Priority Designator (PD) as outlined in Chapter 2, AR 725-50.

k. Blocks (10 and 11) – NAME AND TELEPHONE NO. OF PERSON TO CALL FOR ADDITIONAL INFORMATION. Point of contact concerning the requirements.

This person must be knowledgeable and have the authority to provide clarification on the PR&C.

l. Blocks (12 or 13) – LOCAL PURCHASE AUTHORIZED... OR REQUISITIONING DISCLOSES NONAVAILABILITY... OR EMERGENCY SITUATION PRECLUDES... Authority (governing regulation) for local purchase. Must check and complete the appropriate block.

m. Blocks (14, 15, 16, 17 and 18) – ITEM-DESCRIPTION OF SUPPLY OR SERVICES/SUGGESTED SOURCE OF SUPPLY-QUANTITY-UNIT-ESTIMATED UNIT PRICE & TOTAL COST-DISCOUNT TERMS. Item number (sequential), description of the item/service requested including (if applicable) catalogue number, size, color, quantity, unit of issue (i.e. - ea, lb, and lot), unit price, and total cost. Include data needed for preparation of procurement document such as discount terms, purchase order (if contract modification or option), requested delivery address and delivery schedule. The suggested source or manufacturer should be listed in block 15 for the item(s) requested to include address voice and facsimile numbers, web and e-mail address. Contracting has to normally compete this among three (3) sources. If you provide 3, it will help us with our market research and award.

n. Block (19, 20, 21 and 22) – ACCOUNTING CLASSIFICATION-AMOUNT-TYPED NAME & TITLE OF CERTIFYING OFFICER- SIGNATURE. Fund certification: In the appropriate block, the resource manager or accountable officer will enter the accounting classification to be charged, the dollar amount the name and title of officer approving use of funds, date of signature and signature of approving officer. If applicable indicate the foreign currency conversion rate and amount as converted into US Dollars.

o. Block (25) – THE FOREGOING ITEMS ARE REQUIRED NOT LATER THAN AS INDICATED ABOVE FOR THE FOLLOWING PURPOSE. Purpose and use of purchase.

p. Block (26) – DELIVERY REQUIREMENTS. Check or fill-in appropriate blank.

q. Blocks (27, 28, 29 and 30) – DATE-TYPED NAME AND GRADE OF INITIATING OFFICER-SIGNATURE-DATE. In appropriate block, date, name, title and grade of requesting officer and signature.

r. Blocks (31, 32 and 33) – DATE-TYPED NAME AND GRADE OF SUPPLY OFFICER-SIGNATURE. In appropriate block, date, name, title and grade, and signature of responsible supply officer.

s. Block (34, 35, and 36) – DATE –TYPED NAME AND GRADE OF APPROVING OFFICER OR DESIGNEE-SIGNATURE. Name, grade, and signature of Approving Officer, usually, but not always, the Chief of Logistics.



NOTES:

a. Use blank paper numbered sequentially and marked with requisition number, if more room is required for blocks 14-18.

b. Providing three sources is recommended, as it will facilitate the buying of the parts or services.

c. For Federal Supply Schedule (FSS) providing of three FSS sources also facilitates the procurement. The FSS must be reviewed to compare at least three sources for the best value to the government for Department of Defense activities, in accordance with the FAR. You have the best technical knowledge to know what items will meet your requirements. If this is done by the buyer, the process will be slowed down when we have to come back to you for your technical evaluation of the alternatives we identify.

	Yes	No	N/A
1. Have the funds been properly certified?			
2. Is a required delivery date on the PR&C?			
3. Does the PR&C contain an accurate description?			
4. Is this electrical equipment? Are the electrical specifications identified?			
5. Are operator's and maintenance manuals required for equipment items?			
6. Does the customer require the controls to be in English?			
7. Does your SOW adequately describe your requirement?			
8. Has requirement been coordinated through the following offices as appropriate:			
a. IMD			
b. Facilities Management Branch			
c. Clinical Engineering Branch			
9. Does the package include a Sole Source Justification IAW FAR 6.303-2?			
- Has the justification been certified accurate and complete by the Chief of your office?			
10. Has a quote been submitted with this package? If yes, see 11.			
11. Is the quote still valid?			
12. Did you verify the prices and vendor information?			
13. Did the contractor provide the following information?			
a. Prompt Payment terms			
b. FOB point      If Origin, what is the estimated cost?			
c. Quantity discounts (for quantities in excess of 25 ea)			
d. Warranty information			
e. Delivery time			
14. Is the vendor registered in CCR? (Go to <a href="http://www.ccr.gov">www.ccr.gov</a> and search CCR)			
All US vendors must be registered in order to receive an award.			
15. If this is a non-competitive purchase, does the company have the item on a published pricelist?			
Is this item sold via a GSA, VA or some other government contract?			
16. If this is a non-competitive purchase, does the company manufacture the item?			
17. If PR&C is less than \$2,500 do you have a statement explaining why the Gov't Purchase Card was not used?			

## **Priority Designators**

Per AR 725-50

Based on the Urgency of Need Designator (UND) and the Force Activity Designator (FAD), ERM Contracting supported activities normally utilize priority 02, 05, and 12. OCONUS Standard delivery date per priority per this regulation is:

Priority 02      11-12 days from date of requisition to receipt of material

Priority 05      15-16 days from date of requisition to receipt of material

Priority 12      67-82 days from date of requisition to receipt of material

The delivery timetables are estimates and depend on a number of variables to include order approval, order processing, ship time, and item availability. It is imperative that priorities be realistic, and required delivery dates be accurate and not contradictory of the priority. The Commander or their designee is the approving official for priorities higher than normal (priority 12).

Any emergency will be worked on a case by case basis. A contracting officer is available 24/7.

## Appendix B

### PREPARING AN INDEPENDENT GOVERNMENT ESTIMATE (IGE)

#### 1. GENERAL

The Independent Government Estimate (IGE) is the requiring activity's (unit's) realistic cost factors or price factors to support contractual funding requirements.

#### 2. FORMAT

The format on the following pages will be used when completing or preparing an IGE. It should be modified to include additional information as required by resource management or the comptroller. If you have questions when completing the IGE, contact ERMCCC for assistance.

#### INDEPENDENT U.S. GOVERNMENT ESTIMATE (IGE) **COST ESTIMATE**

##### LABOR

Direct (*list by labor category - i.e., truck driver, \_\_\_\_\_*  
*supervisor, mason, vertical construction \_\_\_\_\_*  
*worker, etc.) \_\_\_\_\_*

Total Direct \_\_\_\_\_  
Overhead \_\_\_\_% of Total Direct \_\_\_\_\_

Total Labor Cost \$ \_\_\_\_\_

##### SUPPLIES AND OTHER DIRECT COSTS

Materials (*list by type*) \_\_\_\_\_  
Supplies (*list by type*) \_\_\_\_\_  
Equipment (*list by type*) \_\_\_\_\_  
Other Direct Cost (*list by type*) \_\_\_\_\_

Total \$ \_\_\_\_\_

##### GENERAL & ADMINISTRATIVE AND PROFIT/FEE

General & Administrative \_\_\_\_\_  
Profit \_\_\_\_\_

Total \$ \_\_\_\_\_  
TOTAL ESTIMATE \$ \_\_\_\_\_

INDEPENDENT U.S. GOVERNMENT ESTIMATE (IGE)

**PRICE ESTIMATE**

SIMILAR PROCUREMENT *(list as applicable)*

Reference	Date	Item Description	Price
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>			<b>\$</b> <hr/>

OR  
ESTABLISHED CATALOG PRICE *(list as applicable)*

Reference	Date	Item Description	Price
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>			<b>\$</b> <hr/>

OR  
MARKET SURVEY *(list as applicable)*

Reference	Date	Item Description	Price
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<hr/>	<hr/>	<hr/>	<hr/>
<b>TOTAL</b>			<b>\$</b> <hr/>

## **Appendix C**

### **PREPARING A PERFORMANCE BASED STATEMENT OF WORK (PBSW)/ QUALITY ASSURANCE SURVEILLANCE PLAN (QASP)**

#### **1. GENERAL**

When requesting services or construction, you are responsible for specifying in writing precisely what the Contracting Officer is to buy, and how you (the requestor) will verify that you are getting what is requested. The Performance Based Statement of Work (PBSW), also known as Statement of Work (SOW) or Performance Work Statement (PWS) throughout this document, is the document that specifies the services to be bought. The Quality Assurance Surveillance Plan (QASP) is the document that specifies how you will verify that you are getting what is requested.

In this appendix you will find examples of several PBSWs. The ERMCCC has awarded several types of service contracts throughout the years and may have a sample of one for the particular service you are seeking on file. Any samples should be reviewed and amended to meet the current requirements and/or situation. Contact the ERMCCC to see if they have a pre-existing PWS/SOW or if they can obtain one from another of the MEDCOM Healthcare Acquisition Activity Offices for your use.

There are several key precepts to follow in preparing a statement of work (SOW) for a service contract. The SOW should be clear and brief. It should be written in plain English, free of ambiguity and internal inconsistency. It should be performance based, meaning we should tell the contractor what to do, but not how to do it. Statements of Objectives (SOO) may be utilized to convey the required outcome of contract performance, with the contractor subsequently preparing the SOW from the SOO.

#### **2. PERFORMANCE WORK STATEMENT**

a. A PWS will be submitted with the DA Form 3953 Purchase Request and Commitment. Everything that the contractor must do under the contract must be specified in the PWS. Several tips that will help you ensure that your PWS will provide you the services you need are:

(1) All work where compliance or performance is binding upon the contractor must be expressed in mandatory language and must be distinguishable from background or general information, which should be kept in the "Background" element of the SOW. So, if the contractor must do something, write, "The contractor shall." (For example: The contractor shall conduct a cost analysis. . .).

(2) Use "will" to express a declaration or purpose on behalf of the Government. (For example: "The Landstuhl Regional Medical Center will provide the contractor with. . ."). Remember, the contractor shall; the Government will.

(3) "May", "should", and "might" are not mandatory words. It is best to avoid them. (Use of "permissive" or "choice" words is appropriate if you intend to give the contractor flexibility).

(4) Define and be consistent with terminology. Make sure that you use words and phrases (especially technical ones) in the same way throughout the SOW.

(5) Pronouns can be ambiguous. It is better to repeat a noun and avoid any misinterpretation.

(6) Avoid "any", "either" and "and/or." These words imply that the contractor has a choice. Use of "permissive" or "choice" words is appropriate if you intend to give the contractor flexibility.

(7) Avoid words and phrases, which are subject to multiple meanings and broad interpretations.

(8) Use active voice, not passive. Passive voice promotes ambiguity and leads to needlessly complex sentences.

(9) Try to use short, descriptive sentences to ensure clarity.

(10) Avoid using bureaucratic, scientific or complex terms except as necessary. When you must use these terms, define them within the SOW.

(11) Whenever possible, use simple words and terms in order to avoid ambiguity.

(12) Stress that any papers, recommendations, etc. which the contractor submits are drafts, not final copies. If you are procuring non-personal services, then discuss the process, which you will use to review the contractor's work.

(13) Avoid the appearance of personal services in the way in which the SOW is written by including as much detail or performance requirements as possible. Doing so will underscore that tasks are sufficiently well defined to allow the contractor to perform independently.

(14) Avoid words such as "support" or "assist", which might imply joint efforts between the Government and its contractor unless the contract's assistance or support roles are subsequently described in a manner, which makes it clear that the contractor will perform independently.

(15) Clearly delineate contractor performance requirements.

(16) Avoid open-ended SOWs, which contain on-going tasks without defining completion.

(17) Avoid abbreviation unless they are of common usage or are defined at first usage.

(18) Specify or emphasize performance requirements, "what is needed", versus design approach, "how to".

b. CHECKLIST FOR DETERMINING WORK STATEMENT ADEQUACY

(1) Does the work statement contain only essentials (actual minimum requirements)? Have "nice to have" items been eliminated?

(2) Has extraneous material been eliminated? (Ask the following questions to judge whether material should be included: Does it tell what the contractor is responsible for? Is it necessary in order for the Government to obtain required results?)

(3) Is background or other introductory information readily distinguishable from the contract objectives and requirements?

(4) Is the work statement sufficiently detailed to permit the prospective contractor to estimate costs, to tabulate the labor and other resources needed to accomplish each task or phase of the work?

(5) Are specific duties and end results set forth in such a way that the contractor will know exactly what is required; that the Government representative who monitors performance and signs acceptance reports can tell whether the contractor has complied?

(6) Does the statement explain the interrelationship between and how tasks are related to desired results and deliverables?

(7) Does the statement identify constraints and limitations?

(8) Does the statement contain standards which will make it possible for all parties to measure performance?

(9) Is there a time-phased requirement for each activity to be completed or time to be delivered? If elapsed time is used, is it clear whether the time will be counted as calendar days or as work days?

(10) Have all requirements for data been specified?

(11) Are proper quantities shown?

(12) Do any standard specifications or paragraphs apply in whole or in part? If so, are they properly cited and referenced?

(13) When it is necessary to reference other documents, is the referenced document properly identified?

(14) It is recommended in the PWS that you concentrate on stating what is to be accomplished/performed, not the method that the contractor is to perform the task. This is called Performance Based and allows the contractor the opportunity to determine the best method for accomplishing the task.

### 3. QUALITY ASSURANCE SURVEILLANCE PLAN (QASP).

The QASP is the written instructions by which the COR checks to ensure the government is getting what is contractually required. The QASP consists of written instructions for the COR, and a checklist containing items of contract performance which have been extracted from the Performance Work Statement. A QASP will be submitted with each DA Form 3953 requesting contract services or construction. The format of a QASP follows the PWS format sample in this Chapter of the Handbook.

#### **QUALITY ASSURANCE SURVEILLANCE PLAN FOR SERVICES**

**1. This QASP has been designed to provide the U.S. Government COR an effective and systematic surveillance method for each listed services in the *(name of contract)* contract.** (Methods for administering and evaluating other provisions of the contract are to be developed by the contracting officer and the COR).

**1.1. The QASP provides a systematic method to evaluate the services the contractor is required to furnish – not the details of how the contractor accomplishes the work.** (The plan uses a combination of the surveillance methods, which adequately assures the government of the contractor's performance).

**1.2. This QASP is based on the premise that the contractor and not the government are responsible for management and quality control actions to meet the terms of the contract.** The Performance Requirements recognize that the contractor is not a perfect manager and that the unforeseen and uncontrollable problems do occur. Good management and use of an adequate quality control plan will allow the contractor to operate within specified performance requirements. CORs are to be objective, fair and consistent in evaluating contractor performance against the standards.

#### **2. CONTRACTING OFFICER REPRESENTATIVE SURVEILLANCE**

**SCHEDULE.** The COR will develop a monthly surveillance schedule based on the surveillance plan's requirements. The monthly schedule will be completed not later than the last workday of the preceding month. Copies of the schedule shall be sent to the contracting officer. The schedule shall be marked "FOR OFFICIAL USE ONLY" and shall not be shown to the contractor.

**3. UNACCEPTABLE PERFORMANCE.** If performance is judged unacceptable, the COR will initiate a Contract Discrepancy Report (CDR) and submit it, with the checklist recording the unacceptable performance, to the contracting officer. The seriousness of the situation should govern whether the COR should provide the Contract Discrepancy Report to the contracting officer as soon as unacceptable performance is indicated or wait until not later the third workday of the month following the surveillance.

**4. INFORM CONTRACT MANAGER.** The COR must always contact the contractor's manager or on-site representative and inform them of what was wrong.



Have the manager initial the entry on the checklist. The COR must note on the back of the checklist where the defect was found, the time and method of notification, and the COR's initials.

**5. REVISIONS TO QASP.** Revisions to the surveillance plan are the joint responsibility of the functional area chief (requirements technical representative) and the contracting officer.

**6. PERIODIC SURVEILLANCE.** Items are inspected using checklists at a given frequency (daily, monthly, etc.). These checklists are to be contained in this section. The checklist will contain elements of contract performance extracted from the Performance Work Statement.

## **APPENDIX D**

### **STATEMENT OF WORK (EXAMPLE)**

#### **C.1 SCOPE OF WORK:**

Provide general overview of the specific of the project.

For example: Assess compliance with all applicable standards of all JCAHO patient care and organization functions. Maintain currency of training and expertise in JCAHO standards through continuous formal and personal updating and review of literature and JCAHO information.

Provide training and coaching in the survey process.

Prepare leadership to meet and sustain the challenge of continuous survey readiness.

Educate staff on the JCAHO standards.

Provide strategy in strengthening medical staff commitment and involvement.

Provide guidance on the evaluation, updating, and preparation of written policies.

Provide consultation and education on current performance improvement processes.

C.1.2. QUALIFICATIONS: Specific training, certifications and years of Service, Contractor personnel must have.

C.1.3 PERIOD OF PERFORMANCE: The Period of performance – time.

C.1.4 PLACES OF PERFORMANCE: HQ, ERMIC Area of Operations. Specific locations are included at Appendix 1. Be Specific – to base location, etc.

C.1.5. HOURS OF OPERATION: Normal Duty hours- or additional time periods. Be specific.

#### **C.2. DEFINITIONS**

C.3. GOVERNMENT-FURNISHED EQUIPMENT Items the government will provide

C.4. CONTRACTOR-FURNISHED EQUIPMENT (Additional items the contractor may have to purchase.

C.5. SPECIFIC TASKS/DESCRIPTION OF DUTIES: Critical breakdown of daily activities.

C.5.1 Consultant will conduct Staff Assistance Visits (SAVs) to all the LRMC, USAMH and USAMW MTFs to include their Health Clinics and EDIS clinics in the Spring 2003. At each facility, the consultant will conduct a JCAHO readiness assessment and provide updated JCAHO functions and standards training to the leadership and staff of the MTFs, their subordinate Health Clinics as well as those EDIS Clinics within the respective MEDDAC footprints.

C.5.2 Conduct a mock survey of all MTFs and their assigned clinics Fall 2003. Mock surveys will mimic the activities of the real survey process, which includes, but not limited to:

- a. Opening session
- b. Performance measurement and improvement interview
- c. Document review
- d. Patient care interviews
- e. Building tour
- f. Leadership and other interviews
- g. Evaluation of performance improvement/peer review
- h. Exit interviews

C.5.3 Provide a follow-up written report. Be specific. Provide samples of reports and all written documents to be completed if they are available.

C.5.4 For example: Consultant will provide staff education, and assistance and guidance to the MTFs to promote continuous integration of the medical staff into the performance improvement program. Evaluate medical staff participation and restructuring as needed, and enhance medical staff credentialing and privileging functions through active coordination of JCAHO standards and functions with MTF credentialing operations and medical staff functions.

C.5.5. Provide ongoing consultative service to include Joint Commission standard updates, education on "problem prone" areas; assist in policy review and updating, and strategic plan development. Consultant will assist MTFs to create/maintain an organizational culture that proactively identifies and assess risk to assist in reduction of errors. Consultative services will be through all available means to best satisfy the needs of the organizations.

C.5.7. Provide summary report of all actions taken to satisfy the requirements within Item 4. Report will include activities contacted, areas reviewed, assessed or planned and lessons learned for sharing with the entire Command.

C.6. Applicable Government Publications: AR 40-68: Quality Management

END OF SOW

## **APPENDIX 1 PLACES OF PERFORMANCE**

EUROPE REGIONAL MEDICAL COMMAND – HEADQUARTERS, Heidelberg, Germany

LANDSTUHL REGIONAL MEDICAL CENTER – LANDSTUHL, GERMANY

UNITED STATES ARMY ACTIVITY, WUERZBERG – WUERZBURG, GERMANY

UNITED STATES ARMY ACTIVITY, HEIDELBERG – HEIDELBERG, GERMANY

**APPENDIX E**  
**SPECIAL TRANSACTIONS**

The following is a sample bailment agreement that must be completed and given to the ERMCCC. Allow a minimum of 2 weeks for processing. The contracting officer will contact the vendor and have the formal agreement signed. The contracting officer will contact you upon having a valid signed agreement. The property is not to be in house until the contracting officer has notified you. You must coordinate the arrival of the equipment with Property Management and Medical Maintenance.

SAMPLE

FROM: Commander, European Regional Contracting Cell                      21 May 2002

C, Property Management Branch, LRMC, APO AE 09180

C, Medical Material Branch, LRMC, APO AE 09180

SUBJECT: No-Cost Product Examination Agreement

1. In accordance with AR 40-61, the below listed activity wishes to conduct an examination of the following equipment:

a. ACTIVITY: Neonatal Intensive Care Unit (NICU)  
                  Landstuhl Regional Medical Center  
                  POC: SSgt Godlock 486-7490

b. EQUIPMENT: Draeger Transport Incubator 5400  
                  Model Number: 2M22300

2. The contractor is: Draeger Medical AG & CO KGAA  
                          Max-Blanc-Ring 25  
                          Wiesbaden 65205 Germany

3. The period of examination will be 21 May 2002 through 1 July 2002. The actual site of the test will be building 3711 in the Neonatal Intensive Care Unit, Landstuhl Regional Medical Center.

4. It is understood that all equipment must be processed through Property Management Branch to ensure accountability for the item.

5. The vendor will retain full responsibility for delivery and pick up of the items listed above.

6. There will be no charge to the United States Government by the vendor for use of the items listed above.
7. Special maintenance or operator training prior to the examination shall be provided by the contractor at no cost to the Government.
8. The Government shall not be responsible and the contractor expressly agrees not to hold the Government liable for the loss, damage or destruction of material while in the possession of the Government.
9. The examination period shall not be construed by the contractor as implying the Government's acceptance of the goods nor a Government obligation to the contractor to purchase after the examination period.

IN WITNESS WHEREOF, THE PARTIES HEREUNDER HAVE EXECUTED THIS AGREEMENT.

THE UNITED STATES OF AMERICA BY:

CONTRACTOR:

\_\_\_\_\_  
Contracting Officer

\_\_\_\_\_  
Company

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX F

### SAMPLE LEASE VS. PURCHASE ANALYSIS

The following is the minimum required when requesting a lease of equipment rather than purchasing. Additional information and data may be required. However, in situations such as cost per test lab equipment that is leased in conjunction with supplies this is acceptable.

1. Estimated length of the period the equipment is to be used: \_\_\_\_\_

2. Comparison:

	Rental	Purchase
Cost of equipment:	_____	_____
+Maintenance Costs:	_____	_____
+Estimated Supplies:	_____	_____
+Transportation & Installation:	_____	_____
-Trade-in/Salvage Value:		_____
TOTAL:	_____	_____

3. What is the potential obsolescence of the equipment because of imminent technology improvements? \_\_\_\_\_

\_\_\_\_\_

4. What is the availability of servicing capability? Can the Government maintain the equipment or purchase the service? \_\_\_\_\_

\_\_\_\_\_

5. What is the advantage of the alternative types? \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**APPENDIX G**

**INSTRUCTIONS FOR COMPLETING A  
JUSTIFICATION FOR OTHER THAN FULL AND OPEN COMPETITION  
(SOLE SOURCE)**

DEPARTMENT OF THE ARMY  
LANDSTUHL REGIONAL MEDICAL CENTER  
CMR 402  
APO AE 09180

(YOUR ORGANIZATION)

15 JAN 02

MEMORANDUM FOR: EUROPEAN REGIONAL MEDICAL CENTER  
CONTRACTING CELL  
BLDG 3705, CMR 402  
APO AE 09180

SUBJECT: JUSTIFICATION FOR OTHER THAN FULL AND OPEN  
COMPETITION, STERIS STERILIZER SYSTEM AND ACCESSORIES

Request the European Regional Medical Center Contracting Cell purchase items listed on Purchase Request and Commitment document number WK4NKV13360010 as a non-competitive requirement.

The item to be purchased is a Steris Sterilizer, System 1 Processor and associated equipment and supplies. Estimated cost \$20,583.81.

The source of authority permitting this purchase is 10 U.S.C. 2304 (c) (1) as stated in FAR 6.302-1 (a)(1), "Only One Responsible Source and No Other Supplies or Services Will Satisfy Agency Requirements".

The system requested will be used in conjunction with existing Gastroenterology equipment. The equipment requested is compatible with all existing Steris equipment currently utilized, including parts and accessories. The purchase of a different system may result in the need to replace existing serviceable equipment due to non-compatibility. Any delay resulting in the conversion to a new system may adversely impact patient care.

I certify that the above information is accurate and complete to the best of my knowledge and belief.

(Chief of the Office)

## **APPENDIX H**

### **INSTRUCTIONS FOR PREPARING A RECEIVING REPORT**

1. Preparation of DD Form 1155, Order for Supplies or Services as a receiving report. To use DD Form 1155 as a receiving report, use a copy of the original issued by the Contracting Office. Blocks 1 thru 25 will have been completed. You must complete the following blocks:

a. Block #26. Individual with the authority to receive the purchase must check the appropriate block, date and sign. The printed/typed name, title and phone number of the individual signing the block is to be included. Any discrepancies found in the supply or services will be noted in detail on the reverse side of the form or on the attached piece of paper.

b. Block #27. The shipment number if applicable and the appropriate box must be checked, partial or final (final means the total or last shipment or service has been received or completed).

c. Block #36. The supervisor of the individual completing Block #26 must sign and date.

2. Preparation of SF 1449, Solicitation/Contract/Order for Commercial Items as receiving report. To use SF 1449 as a receiving report, use a copy of the original issued by the Contracting Office. Blocks 1 thru 31 will have been completed. You must complete the following blocks.

a. Block #32a, 32b, and 32c. Individual with the authority to receive the purchase must check the appropriate box, date, and sign. Any discrepancies found in the supply or service must be noted in detail on the reverse side of the form or on an attached piece of paper.

b. Block #33. The shipment number if applicable and the appropriate box must be checked, partial or final (final means the total or last shipment or services has been received or provided).

c. Block #41a, 41b, and 41c. The supervisor of the individual completing block #26 must date and sign.

3. Preparation of DD Form 250, Material Inspection and Receiving Report. (This can be used in lieu of the receiving portion of the DD Form 1155 or SF 1449).

a. Block #1. Purchase Order or Contract Number.

b. Block #2. Vendor's shipment number if applicable.



- c. Block #3. Shipping date from vendor if applicable.
- d. Block #4. Bill of Lading or Transportation Control Number (TCN) if applicable.
- e. Block #5. Discount terms. (i.e., 1% 15/NET 30, meaning the contractor will give a 1% discount if the Government pays within 15 days or require total payment for the agreed purchase price if not paid until 30 days of proper invoice for the supplies or services).
- f. Block #6. Vendor's invoice number and date.
- g. Block #7. Page and number of pagers.
- h. Block #8. Leave Blank.
- i. Block #9. Complete address of the vendor providing the item(s) and whether it was FOB Destination or Origin.
- j. Block #10. Complete address of contracting office procuring the supply or service.
- k. Block #11. Location shipped from if different than Block #9.
- l. Block #12. Complete address of Defense Accounting Office (DAO) or unit finance office processing payment.
- m. Block #13. Complete address of where purchase was shipped or services were performed.
- n. Block #14. User and address if different from the address in Block #13.
- o. Block #15. Contract Line Item Number(s) (CLIN(s)). EXACTLY as they appear on the purchase order or contract.
- p. Block #16. Description of supplies or services received and number of, type of and number on container(s).
- q. Block #17. Quantity shipped/received as noted by (\*) on instructions.
- r. Block #18. Unit of issue, (i.e., each (EA), lot (LT), job (JB), hour (HR), etc.) as listed on purchase order or contract.
- s. Block #19. Price per unit listed in Block #18.

t. Block #20. Multiply quantity "received" times the unit price to get the total amount.

u. Block #21. To be completed by contract quality assurance personnel if applicable.

v. Block #22. Date, signature, and typed name of individual authorized to receive the supply or service.

w. Block #23. For contractor (vendor) comment if the vendor wishes to comment and the supply or service is received on-site directly from the vendor.

4. Distribution of the receiving reports.

a. Original to the servicing finance office.

b. One copy to the ERMCCC.

c. One copy to the Resource Manager.

**NOTE:** If the receiving report is not received by the finance office payment to the vendor will be prevented. If you are late on preparing and submitting the receiving report your section/unit will be charged any interest and penalty fees allotted to the vendor for the delay in payment.